

VZCZCXYZ0012
PP RUEHWEB

DE RUEHSF #0224 1061132
ZNR UUUUU ZZH(CCY AD808F24 MSI6459-695)
P 151132Z APR 08
FM AMEMBASSY SOFIA
TO RUEHC/SECSTATE WASHDC PRIORITY 4925
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHMT/AMCONSUL MONTREAL PRIORITY 0156
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS SOFIA 000224

SIPDIS

SENSITIVE
SIPDIS

C O R R E C T E D COPY CAPTION
PASS TO EEB/TRA/OTP MEGAN WALKLET-TIGHE
EEB/TRA/AN MATT FINSTON
EUR/ERA PEGGY WALKER

E.O. 12958: N/A
TAGS: [EAIR](#) [ECON](#) [ETRD](#) [EUN](#) [SENV](#) [BU](#)
SUBJECT: BULGARIA SUPPORTS EU EMISSIONS TRADING SCHEME
(ETS) IN CIVIL AVIATION

REF: STATE 24750

¶1. (SBU) We delivered REFTEL questions to Irina Petrova, Director of European Integration, International Regulations and Economy Regulations Directorate, of the Directorate General Civil Aviation Administration. Bulgaria does support the EC's legislative proposal to extend the EU Emissions Trading Scheme (ETS) to civil aviation. Petrova's responses to refTEL questions follow below.

¶2. (SBU) In the case of taxes, fees or charges, what will the revenue be used for? It is a trading scheme and there are no taxes, fees, or charges for air operators. The scheme has two levels - allowances issued free of charge and 10 percent auctioning of allowances. Revenues generated from the auctioning will be mainly used to mitigate greenhouse gas emissions, to fund research and development for mitigation and adaptation and to cover the cost of the administering scheme.

¶3. (SBU) What markets do they cover? All flights to/and from community airports with a number of exemptions -- emergency, humanitarian, fire-fighting, search and rescue, testing, checking or certifying flights, as well as commercial flights meeting a "de minimis" criteria. Are they imposed on carriers or passengers/shippers? Air carriers/operators participate in the scheme. Was there a consultation process? Yes.

¶4. (SBU) How were the taxes, fees, or charges calculated or assessed? How will they be applied? See paragraph 2. Will the revenue be used within the aviation system or will it be used to fund activities outside the aviation system? Both. If restrictions on operations (such as night flight curfews) are contemplated, what process was followed in deciding on those restrictions? There are no restrictions on operations. Was there a consultation period? Were stakeholders involved in the process? Yes.

¶5. (SBU) Was there a meaningful cost-benefit analysis of alternative measures as required by the "balanced approach?" Petrova was not aware if there was a meaningful cost-benefit analysis of alternative measures. The balanced approach does not contain any mandatory requirements. It is a framework with guidelines.

¶6. (SBU) How do any possible further regulations dovetail with the EU's unilateral proposal to include non-EU carriers in their emissions trading scheme? For the foreseeable

future, and having in mind the outcome of the discussions held at the last two International Civil Aviation Organization (ICAO) assemblies, we do not expect any further regulations concerning reduction of aviation emissions to be adopted at the ICAO level. ICAO does not adopt mandatory regulations and does not prevent contracting states from incorporating aviation emissions into their ETSSs.

Beyrle